UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, **Plaintiff,** **v.** **EDWARD BRONSON and** **E-LIONHEART ASSOCIATES, LLC,** **d/b/a FAIRHILLS CAPITAL,** **Defendants** **and** **FAIRHILLS CAPITAL, INC.,** **Relief Defendant.**	**12 Civ. 6421 (KMK)** **ECF CASE**

PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S OPPOSITION TO DEFENDANTS' AND RELIEF DEFENDANT'S MOTION FOR WITHDRAWAL OF COUNSEL AND A STAY OF PROCEEDINGS

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Plaintiff Securities and Exchange Commission (the "Commission") respectfully submits this Memorandum of Law in opposition to the motion of the Defendants and Relief Defendant for their counsel to withdraw from this case without new counsel to replace them and for an indefinite stay of the proceedings, including a stay of their already once adjourned times to answer the Complaint and to file any motion for reconsideration of this Court's March 31, 2014 Opinion and Order (Docket No. 21) denying their motion to dismiss the complaint.

The Defendants and Relief Defendants move for leave for Nixon Peabody to withdraw as their counsel without retaining new counsel to replace them. They provide no reason why they have not retained new counsel to replace Nixon Peabody and no reason why Nixon Peabody should be permitted to withdraw as counsel before new counsel is retained. Moreover, the Defendants and Relief Defendant make no representations as to when they will obtain new counsel and when new counsel will file an appearance and be prepared to move forward with this long-pending case, filed on August 22, 2012. Instead, they request an open-ended stay of the proceedings, including their already once-adjourned times to answer the Complaint and to file any motion for reconsideration of this Court's March 31, 2104 Opinion and Order. The Defendants and Relief Defendants should not be permitted to bring this action to a halt without justification and to be allowed to unilaterally decide when they will retain new counsel and the action will move forward.

Moreover, the Defendants and Relief Defendant's request for an indefinite stay of their time to file any motion for reconsideration of this Court's March 31, 2014 Opinion and Order is contrary to the Stipulation they entered into with the Commission and the Court just weeks ago. In that Stipulation, which was approved by the Court on April 17, 2014 (Docket No. 25), in return for the Commission's agreement to an adjournment, until May 12, 2014, of their time to file any motion for reconsideration, the Defendants and Relief Defendant explicitly agreed that that date would apply to "defendant's counsel or new counsel." *See* Stipulation and Order Extending Time at 3. Indeed, when they entered into this Stipulation, the Defendants and Relief Defendant knew that they might retain new counsel ("There is a possibility that new counsel may be retained shortly for Defendants and Relief Defendants." *Id.* at 2.) and they agreed that new counsel would be bound by the agreed upon date. The Defendants and the Relief Defendant should not be permitted to renege on their explicit agreement with the Commission and their Stipulation to this Court to be bound by the May 12, 2014 adjourned deadline to file any motion for reconsideration.

Accordingly, the Commission respectfully requests that the Defendants' and Relief Defendant's motion be denied in its entirety. Alternatively, if the Court decides to grant Nixon Peabody leave to withdraw as counsel, the Commission requests that the Court deny the request for a stay of the proceedings and make clear that the May 12, 2014 deadline for filing any motion for reconsideration and the May 29, 2014 time to answer the Complaint remain in place.

Dated: May 2, 2014
New York, New York

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CERTIFICATE OF SERVICE

I certify that on May 2, 2014, I caused to be filed and served by ECF and served by email a true and correct copy of the Securities and Exchange Commission's Memorandum of Law in Opposition to Defendants' Motion For Withdrawal of Counsel And A Stay of Proceedings on the following attorney for all Defendants and the Relief Defendant:

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